
NEWSLETTER

NO. 85

350 BLEECKER STREET

FEBRUARY 6, 1996

The Board met on January 10, 1996. Among the issues discussed:

OFFICER ELECTIONS

Until this meeting, the Board had elected the following officers temporarily:

Kenneth B. Newman, President
Mark Lilien, Vice President
Robert Mishkin, Secretary and Treasurer

At the January meeting, officers were elected to serve until the next Annual Meeting of Shareholders in November:

Kenneth B. Newman, President
Mark Lilien, Vice President
James Kafadar, Treasurer
Robert Mishkin, Secretary

The meetings before January 12 afforded too little time to focus on the officer election, since much of the meeting time was devoted to completing the budget and the mortgage refinancing.

A prior Newsletter listed every board member's address and phone numbers. Some of this data changed since then, so here is a complete new listing:

James Kafadar
Apartment 6E
E Mail Address:
JDK333333QAOL.COM
Home:)
Work:) 645-2737
Fax:)

Mark Lilien
Apartment 3E
Home: 929-4619
Work: 512-2028
Fax: 512-2100

Kimberly Minarovich
Apartment 3C
Home: 633-9574
Work: 250-2767
Fax: 250-7079

Robert Mishkin
Apartment 5B
Home: 924-4160
Work: (718) 377-1059
Fax: (718) 951-9136

Kenneth B. Newman
488 Madison Avenue
New York, New York
Home: 688-8248
Work: 319-3000
Fax: 752-0097

Cynthia Spry
Apartment 4H/4J
Home: 627-4787
Voice Mail: 1-800-595-0200(Ext.7808)
Fax: 691-1682

Herbert Toboroff
Apartment 4A/4B
Home: 989-7198
Work: 620-0090
Fax: 691-7785

REAL ESTATE TAX REFUND OFFER

The Board hired certiorari attorney Eric Weiss to challenge the City's valuation of the building. The City's initial offer was to stand firm. Mr. Weiss continued his work, and the City offered a tax reduction of \$83,900 covering 1990/91 through 1992/93. No reduction was offered for 1993/94 or 1994/95. The Board voted unanimously to accept the City's offer. The assessed valuation in 1990/91 was \$3,426,750, it is now \$2,539,170.

Mr. Weiss will receive 20% of the settlement for his work. Normally his fee is 33%, but he offers a professional courtesy discount to attorneys, and he was engaged on the co-op's behalf by Ken Newman. Ken passes the discount onto the co-op. The settlement must still be OK'd by a judge and paid by the City. This procedure could take as long as 2 years more.

LAWSUITS

The shareholders' leases have a provision allowing the losing party in a lawsuit with the co-op to collect legal fees from the winner. The noise suit in which the co-op lost its request for a preliminary injunction against Jean Lignel is the first time the co-op lost a lawsuit. Mr. Lignel settled for legal fees of \$12,250. Our insurance carrier has or will pay all but the \$2,500 deductible. The co-op's legal fees were almost \$16,000. The judge's decision informed us that the co-op's noise rules were too vague, which is why the noise amendment to the House Rules was passed afterward. The board members regret the lawsuit and certainly hope that further legal hostilities between the co-op and Mr. Lignel will be unnecessary. Shareholders who wish to read the judge's decision or the testimony can do so by visiting Ken Newman's office.

There are 2 other shareholder-related lawsuits pending. Both allege unauthorized sublets.

MORTGAGE REFINANCING -- FINAL ACCOUNTING

The financial aspects of Co-op's mortgage refinancing on December 21, 1995, (which lowered the mortgage interest rate from 9.75% to 7.82%) are excerpted from the closing statement:

FINANCIAL INFORMATION

FUNDS RECEIVABLE FROM MORTGAGEE

Mortgage loan	\$3,500,000.00
Refund of deposits	85,000.00
Payment reimbursement (against prepayment penalty increase)	<u>4,000.00</u>
Total due from Mortgagee	<u>\$3,589,000.00</u>

DISBURSEMENT OF PROCESS AT CLOSING

Disbursements from proceeds on behalf of Mortgagor made at closing:

Broker's commission	\$ 35,000.00
Mortgagee's legal fee and expenses	9,500.00
Commonwealth Land Title Insurance Company	8,983.00
Closer's gratuity	250.00
Short term interest	8,248.49
Flood hazard certification	14.50
Purchase of shares	35,000.00
Escrow for oil tank registration	1,000.00
Payoff of prior mortgage	3,123,160.17
	\$3,221,156.16
Proceeds to Mortgagor:	<u>367,843.84</u>
Total disbursement of mortgage loan and refunds	<u>\$3,589,000.00</u>

EXPENSES PAID AT CLOSING

Broker's commission	\$ 35,000.00
Mortgagee's legal fee and expenses	9,500.00
Commonwealth Land Title	
Insurance Company	8,983.00
Closer's gratuity	250.00
Short term interest	8,248.49
Flood hazard certification	<u>14.50</u>
Total Expenses paid at closing	<u>\$ 61,995.99</u>

SHORT TERM INTEREST CALCULATION

To NCB:

$$\$3,500,000 \times 7.82\% \times \frac{11}{365} = \quad \$ \quad 8,248.49$$

(Amount x rate x days)

To prior mortgagee:

$$\$3,000,000 \times 9.75\% \times \frac{21}{360} = \quad \$ \quad \underline{16,828.77}$$

POST CLOSING RECEIPT

Broker's reimbursement against expense for environmental and engineering reports	<u>\$ 2,500.00</u>
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REAL ESTATE TAXES PAID AT CLOSING

Third and Fourth Quarter of Fiscal Year 1995-1996 at \$68,347.50 per quarter New York City real estate	<u>\$ 136,695.00</u>
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PAYOFF OF PRIOR MORTGAGE

Principal of Mortgage	\$3,000,000.00
Interest from December 1, 1995 to December 21, 1995	17,062.50
Prepayment penalty	105,347.67
Mortgagee's legal fee	<u>750.00</u>
	<u>\$3,123,160.17</u>

SUBLET POLICY

Several shareholders asked if the board would reconsider changing the sublet restrictions after the mortgage refinancing was completed. After discussion, the 5 board members in attendance unanimously voted to continue the sublet policy unchanged. Among the reasons cited:

1. Many banks resist making mortgages for purchasers of apartment shares in co-ops with substantial numbers of sublet tenants. Many banks believe that co-ops are likely to be more stable financially when the owners are residents. Board members want purchasers to be able to easily get mortgages, since apartment values are unlikely to be strong if financing is not easily available at the lowest possible rates.
2. Many residents, especially recent purchasers, want a stable, owner-occupied building, not a transient situation.

As a result of the board's vote, Bob Mishkin will continue the search for a real estate broker who will give apartment sellers a discounted commission. Of the 17 sublet apartments, 2 are allegedly sublet illegally, and at least 15 others will have to cease their sublets in 1996.

<u>CASH POSITION</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
January 31	376,167	\$148,901	\$ 86,409	\$ 38,084
February 28	399,249	\$180,175	94,037	88,710
March 31	459,076	\$212,063	131,236	124,574
April 30	490,310	\$245,950	156,544	178,539
May 31	517,706	\$283,157	196,654	233,455
June 30	487,841	\$281,767	100,172	180,954
July 31	475,477	\$324,111	159,666	133,170
August 31	461,193	\$378,017	192,727	180,326
September 30	410,117	\$381,046	158,187	101,968
October 31	223,233	\$427,444	192,701	127,087
November 30	231,580	\$454,992	219,101	190,202
December 31	520,628	\$339,752	116,394	60,607
Average	420,885	\$304,781	\$150,319	\$136,473

<u>OPERATING BUDGET</u>	1995	1995	1996
<u>Item</u>	<u>through</u>	<u>Budget</u>	<u>Budget</u>
	<u>10/31/95</u>		
Commercial rent	\$ 71,667	\$ 86,000	\$ 86,000
Commercial rent additional*	19,224	20,000	20,000
Laundry	8,663	10,000	10,000
Interest income	10,190	3,000	7,000
Flip tax (2% sales fee)	18,000	7,000	14,000
Sublet fees	16,597	20,000	10,000
Late fees	1,207	1,500	1,500
Sublet interview fees	419	2,500	500
Bike room**	-0-	700	700
Total Income	<u>\$145,967</u>	<u>\$ 150,700</u>	<u>\$ 149,700</u>
Real estate tax	\$136,695	\$ 275,000	\$ 275,000
Corporate tax	3,575	6,000	6,000
Mortgage interest + principal	243,750	292,500	292,834
Total Taxes + mortgage	<u>\$384,020</u>	<u>\$ 573,500</u>	<u>\$ 573,834</u>
Heating fuel (gas + oil)	\$ 18,921	\$ 25,000	\$ 25,000
Electric + cooking gas	13,676	18,000	18,000
Water + Sewer***	-0-	15,000	2,000
Total Utilities	<u>\$ 32,597</u>	<u>\$ 58,000</u>	<u>\$ 50,000</u>
Management fees	\$ 40,500	\$ 49,500	\$ 49,500
Insurance	56,615	40,000	58,100
Legal	22,509	15,000	10,000
Audit fees	6,000	6,000	6,250
Telephone + sundries	3,314	3,000	3,000
Office expenses	4,801	6,000	7,000
Total General + Administrative	<u>\$133,739</u>	<u>\$ 119,500</u>	<u>\$ 133,850</u>
Payroll	\$104,058	\$ 130,000	\$ 135,000
Payroll taxes	9,974	12,000	12,000
Health insurance	11,197	14,000	14,000
Total Labor	<u>\$125,229</u>	<u>\$ 156,000</u>	<u>\$ 161,000</u>
Repairs	\$ 29,370	\$ 33,000	\$ 36,000
Unanticipated items**	incl above	10,000	10,000
Addition to reserve	not applicable	88,323	103,603
GRAND TOTAL EXPENSES	\$704,955	\$1,038,323	\$1,068,287
EXPENSES LESS INCOME	558,988	887,623	918,587
BUDGETED MAINTENANCE FEE	739,686	887,623	918,587

*9.375% of certain cost increases (taxes, water, electricity, payroll, insurance, etc.)

**Due to a bookkeeping error, this figure is included in the maintenance account through October 31, 1995.

The maintenance fee was raised from \$4.30 to \$4.45 and the sublet fee was raised from 60 cents to 65 cents per share per month, effective January 1, 1996. When the co-op was started in 1985, these fees were \$3.31 and 50 cents, respectively. In other words, they have gone up 34% and 30%, respectively, since 1985.

Interest income is likely to fall in 1996 compared to 1995 because the average cash balance is expected to fall due to major construction projects anticipated in 1996 (brick pointing, sill replacement, etc.) The flip tax income is expected to fall because 1995 was year with an unusually high number of apartments sold. Sublet fees are expected to fall in 1996 because there are 17 sublet apartment right now, compared to 27 earlier this year. Real estate taxes are estimated, since New York City sets the actual rate in late June, effective July 1.

Fuel is estimated to rise based on recent price increases. The water bill is based on \$6,000 usage less a \$4,000 credit left from water meter installation (a New York City government program to encourage water meter use.) Insurance will rise because we raised our fire coverage and will soon add fidelity coverage (covers embezzlement, a requirement of our new mortgage). Additionally, our previous fire insurance company decided not to insure buildings with wood floor joists, and the replacement carrier has higher rates.

Legal expenses are expected to fall based on the board's judgment of recent events. Our payroll is expected to rise due to the union contract raises. Our staff is paid union rates, although they aren't members of the union. We do this because of our appreciation of their excellence.

NEWSLETTER

NO. 86

350 BLEECKER STREET

FEBRUARY 6, 1996

The Board met on February 13 and March 12, 1996. Among the issues discussed both at the meetings and between meetings:

PREFERRED BROKER

Betty Fox Real Estate was chosen as Preferred Broker. Edna Marshall (apartment 1A) will be the on-premises sales agent for Betty Fox Real Estate. Their commission for 350 Bleecker is 4% instead of the usual 6%, and a sign listing their name and phone number is in the lobby. Their name and phone number is also on a flyer given to interested passers-by the doorman. Any shareholder may use any broker or no broker to sell an apartment, however. Edna's phone number is 212 633 2964. In 1996 so far, Edna sold one apartment, and has several other listings already.

APARTMENTS FOR SALE

Apt.	Size	Owner	Phone	Comments
1 S	2BR	Kenneth B. Newman	319-3000	
2L	1BR	Shirley Lomanto	319-3000	
3P	2BR	Kenneth B. Newman	319-3000	
5D	Studio	Debbie Glasserman	979-7938	May be combined with Apt. 5D
5E	2BR	Kenneth B. Newman	319-3000	May be combined with Apt. 5C

BOILER

The building still owes Loewy Plumbing about \$9,000. This is being held as a reserve for the final few punchlist items. The major item still remaining is the water hammer (pipes banging when steam and hot water is turned on). Loewy is arranging for steam trap element replacement and a boil out, both of which may reduce the water hammer. Other causes of water hammer include worn out radiator steam vents and improperly pitched radiators. The latter 2 causes are the co-op's responsibility, not Loewy's. If the water hammer continues, it may be necessary for our staff to inspect every radiator in the building.

SNOW REMOVAL

The Board voted to buy a new snow blower for about \$2,100. Our old one's transmission died, and cannot be repaired economically. Its manufacturer no longer stocks parts since they left the snow equipment business several years ago. The Board considered a tractor with a snow blade, but the \$5,000 cost was judged too high.

PURCHASE APPLICATION

A new form was designed by Bob Mishkin, with some additional suggestions by other Board members. This form was adopted to improve clarity. The Board also voted to allow Ken Newman, as Managing Agent, to require purchasers to have the help of a Certified Public Accountant to fill out the application. Ken will only require the use of a CPA when the purchaser's draft application contains obvious errors and omissions, or if the purchaser states he cannot understand the form. In the recent past, there have been several instances when purchasers had great difficulty understanding how to fill in the form accurately. Examples included: confusing a life insurance premium with its cash value; omitting the down payment held in escrow as an asset; omitting cash held in a checking account as an asset; and stating one's monthly salary as an "asset" instead of "income".

Credit reports are now \$50 for each purchaser (i.e., a couple buying an apartment would pay \$100), charged by the Managing Agent. This price more accurately reflects the actual cost. The previous fee was \$100 for each purchaser.

MORTGAGES

A1 DeVecchio, 5L, 212 243 3890, would be happy to suggest a source of mortgage financing based on his recent experience.

RADIO

An additional 2 channel Motorola Radius will be purchased, for around \$500. After that, every staff member will have a radio while on duty, in addition to the base station in Rifat Otovic's apartment. One channel is the neighborhood security frequency, the other is used for staff communication.

MASONRY AND ROOF

Fred Hannaham will bid out the masonry to be completed in 1996, price permitting. In other words, Fred will draw up specifications and ask for bids. If the bids are a low enough figure, then all the work will be done. If the bids are higher than our 1996 funds permit, the co-op may defer part of the work, or seek additional funding. The bids will include new sills for the windows facing the streets and pointing.

INTERVIEWS

Purchasers will have to submit their paperwork in its entirety 1 week in advance of a Board meeting, in order to be interviewed.

EXERCISE ROOM

Cynthia Spry, 4J, 212 627 4787, volunteered to form a committee to budget new gym equipment. Please call her if you have any suggestions or would like to help.

RIFAT OTOVIC

The Board sent flowers to Rifat and wished him a speedy recovery from his car accident.

KEYS TO APARTMENTS

The intercom was repaired several times recently. Each visit from Loeffler costs a minimum of \$165 for the first hour or part of an hour, and \$1.10 for each hour or part of an hour afterwards. Unfortunately, a single apartment's short can bring down the entire system. Because of the intercom's design, every single short's exact location cannot be determined in advance and there is often more than 1 short at 1 time. So making an exact appointment in advance for intercom work is not always practical. When possible, there will be a posting in advance of the day the intercom repair people are scheduled to arrive, but in an emergency (and due to their schedules and emergencies with other clients) this is not always possible or accurately forecasted.

As a result, the Board voted to require each shareholder to leave key(s) with Rifat Otovic or deposit \$500 with the co-op. The \$500 is for 3 things:

- a. paying a locksmith to break the lock(s) on the door
- b. paying the intercom company to wait around +/- or return
- c. paying a locksmith to replace the lock(s) on the door

Keys left with Rifat may be sealed in an envelope, so that the shareholder has evidence if the keys were used. The keys will remain sealed in the envelope unless Rifat needs to use them. Rifat has the keys to over 70% of the building already.

The Board discussed the issue of privacy and security versus the need for access to each apartment. This question is extremely sensitive and controversial. No one wants his/her privacy invaded. Everyone wants the intercom to work. No one wants to be hurt by inadequate security. No one wants to be inconvenienced by repair schedules. No one wants to pay extra for repeated service calls. No one wants to pay \$500.

In addition to the intercom work, the Board is concerned about other emergencies requiring access to an apartment, such as a flood or fire. Delaying access may result in bodily harm or substantial damage to surrounding apartments. This damage caused by excessive delay is the liability of the originating apartment's shareholder.

If you have a suggestion for solving this controversial issue in a more practical and courteous way, please contact any Board member.

ALL RESIDENTS INCLUDING RENTAL, SUBTENANTS AND GUESTS WILL BE SUBJECT TO THE SAME RULE.

CERTIFICATE OF OCCUPANCY

The C of O is a certificate from the NYC Buildings Department that the building meets all construction and zoning codes. The C of O is needed to properly insure, lease, occupy, and mortgage the building. When significant construction takes place, the C of O must be updated. A single violation prevents the City from issuing an updated C of O.

Loewy Plumbing attempted to update our C of O based on the boiler replacement. Loewy ran into difficulty because:

- a. the elevator maintenance company didn't arrange for documentation of elevator inspections,
- b. city inspectors alleged improper installation of certain boiler-related wiring,
- c. the architect for the combination of apartments 4A and 4B didn't sign certain documents, and
- d. the old boiler missed certain inspections.

Loewy hired an expediter to resolve every open issue. The co-op paid Loewy \$2,500 to reimburse him for the expediter fee. The Board agreed with the owner of 4A and 4B (Herb Toboroff) that half the fee should be charged to him due to (c) above. This is based on Bruce Loewy's estimate of time spent on the various aspects of the problem.

NYNEX

Ken Newman spoke to John Silvestri of NYNEX who indicated that they'd be happy to rewire the building for additional phone lines (each apartment is limited to 2 right now), but that any damage created would not be NYNEX's responsibility. Ken then spoke to Philip Jemmott, Consumer Service Specialist 2, of the Public Service Commission who stated that NYNEX is responsible for damage it creates. Ken will now go back to NYNEX for further discussions. Certain apartments need more than 2 phone lines due to computers, multiple phone numbers, fax machines, and home-based business lines.

GARDENING

The Board voted to spend \$2,000 on the gardening this Spring. The garden committee will meet in a few days. The meeting time and place will be posted in the mail room. If you'd like to help shop, clean up, trim hedges, plant, water, or fertilize, please come to the meeting +/- or slip your name and phone number under Mark Lilien's door.

<u>Cash Position</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
January 31	516,262	376,167	148,901
February 28,	553,383	399,249	180,175
March 31		459,076	212,063
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October 31		233,233	427,444
November 30		231,580	454,992
December 31		520,628	339,752
Average		420,885	304,781

THERAPIST

About a year ago, the Board OK'd the purchase of a lobby apartment by a psychotherapist who wanted to use it for his practice. Another psychotherapist wanted to know if the Board would OK her purchase of 2 apartments in the building. Neither is on the ground floor. One would be for her residence and the other for her practice. The Board voted to interview her to discuss the impact her practice might have on her

neighbors. This interview would be in advance of her regular purchase interview. Neither therapist may use the lobby as a waiting room for patients.

CARPETING

A shareholder wanted to know about the Board's enforcement of the 80% carpeting rule. 80% of the apartment's floor area must be carpeted, including a thick padding. An open mesh that merely stops the carpet from slipping doesn't count as thick padding. The kitchen, closets, and bathroom are excluded from the calculation. For example, if the apartment is 1,000 square feet, and the kitchen, closets, and bathroom are 200 square feet, then 640 square feet (80% times 800) must be carpeted. No apartments are excluded from the rule, which is stated in the lease.

Common questions and answers about this rule include:

- a. Why do I have to carpet an apartment on the lobby floor? No one lives below me.

The carpet and padding absorb noise that will be heard by upstairs and next-door neighbors.

Furthermore, no lease excludes the carpet requirement.

- b. Why do I have to carpet under my furniture? Can't the space below my furniture be excluded from the calculation? I can't walk under my furniture.

The carpet and padding absorb more than just footstep noise. They partially absorb the noise of appliances, conversation, radios, TV's, stereos, etc.

- c. My neighbors tell me that I don't bother them, so why do I have to comply with the rule?

If the rule is inconsistently enforced, then it is unfair to others and it leaves the co-op open to legal attack for being inconsistent.

- d. What happens if I ignore the rule?

The co-op will take you to court, and if the co-op wins, then you'll have to pay the co-op's legal fees as well as carpet your apartment.

- e. I had carpeting several months ago but now I don't. What is the co-op going to do about it?

If your neighbors (next-door, upstairs, downstairs) complain about noise, then as part of the Board's mediation process, it's likely that your lack of carpeting will come to light. If you persist in breaking the rule in the lease, the co-op will have to take you to court.

- f. Why is noise control so important to this building?

Most co-ops have an 80% carpeting rule. In this building, it is critical because the floor supports (joists) are simply wood. Many other buildings have concrete floors which stop noise more readily.

WATER

Crane and Gerber low-flush toilets (use less than 2 gallons per flush) were installed free in 3 apartments (6E, 3E, LG) by Loewy Plumbing. After the test period, the Board chose Gerber to be installed building-wide. The Gerber was definitely very effective. Papers were filed with the City, and when the City indicates its OK7 every conventional toilet (use 5 gallons per flush) in the building will be replaced. If you have a low-flush water-saving toilet already, please fill out the form below and return it by April 15, and the toilet will not be replaced. As stated in previous Newsletters, most of this work is paid for by a City water-saving program.

Every shower head will be replaced, too. Please indicate on the form whether you prefer a hand-held type shower head or a swivel head. If you don't indicate a preference, you'll receive a swivel head. The Board will probably use Teledyne Water Pik SM-62-P as the swivel head, and Teledyne Water Pik SM-85 as the hand-held. These 2 models were the highest rated of each type listed in the February 1995 issue of Consumer Reports.

SHOWERS AND TOILETS

Please complete this form by April 15. Either slip it under Mark Lilien's door (3E) or fax or mail to Ken Newman. Thanks!

Name: _____ Apartment: _____

Phone number(s):

1. I want (circle one):

- a. a swivel showerhead b. a hand-held showerhead

If you have more than one bath, please indicate how many of each you'd like.

2. Please do not replace my low-flush water-saving toilet(s) which I installed in _____ (indicate year).

NEWSLETTER

NO. 87

350 BLEECKER STREET

APRIL 23, 1996

The Board met on April 9, 1996. Among the issues discussed before the meeting and during the meeting:

PURCHASER GUIDELINE

At the request of several shareholders, the board voted to establish a guideline for a typical purchaser's minimum liquid assets required immediately after closing. The guideline is 1 S times the monthly maintenance.

Examples of liquid assets include: publicly traded stocks; bonds; cash; mutual funds; bank accounts. Examples of non-liquid assets include: IRA's; 401K plans; jewelry; antiques; furniture. To illustrate, if Terry Jones buys an apartment whose monthly maintenance paid to 350 Bleecker Street is \$500, then Terry would have to have \$9,000 immediately after closing.

This guideline was adopted to help clarify the Board's likely requirements. Each purchaser is interviewed and individually considered. Other considerations include: the purchaser's income; character; indebtedness; willingness to follow the rules set forth in the Lease, etc. This guideline is not an ironclad rule, nor is meeting this guideline a guarantee of acceptance.

NEW TOILETS AND SHOWERHEADS

Our application was submitted to the City. Now we have to wait for its acceptance. Typical waits are anywhere from 30 to 270 days. The work will also include new aerators on each sink in the bathrooms and kitchens.

CARPETING REQUIREMENT

The Board voted to commence legal action against shareholders who have not passed their carpet inspection within four (4) months after moving into the building. As noted in previous Newsletters, if the co-op engages in litigation with a shareholder, the winning party may collect his/her legal fees from the loser, as provided in the Lease.

BOILER

Building staff will check every single radiator in every apartment on the lobby floor for correct pitch. If a radiator's pitch is incorrect, it will be repaired immediately. Pitch problems can cause hammering noises heard throughout the building, not just in the offending radiator. The end of the radiator with the supply pipe should be slightly lower than the "dead end". This angle permits condensate (water from cooled steam) to recycle back to the boiler instead of becoming trapped at the dead end of the radiator.

CASH POSITION

<u>Cash Position</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
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Average		420,885	304,781

BUILDING OWNERSHIP

At the beginning of the April 9, 1996 meeting, apartment subtotals, based on the original 137 units, were:

Apartments owned by the Sponsor that are not for sale right now: 42

Apartments owned by the Sponsor that are vacant and for sale: 3

Apartments owned as unsold shares (i.e., investor ownership): 2

Apartments owned by their occupants: 77

Apartments sublet with Board approval (excludes any apartments listed above): 12

Apartments allegedly illegally sublet (excludes any apartments listed above): 1

These statistics are often demanded by mortgage lenders and are an important indicator of the co-op's stability. Generally, a borrower has a greater choice of low-rate lenders when the number of apartments owned by their occupants is as high as possible. The Sponsor has a policy of selling any apartment that becomes vacant.

LOUISE CASALE

The Board voted to send Louise Casale flowers and wished her a speedy recovery from her illness. Louise has worked for the Managing Agent for 10 years.

NEWSLETTER

NO. 88

350 BLEECKER STREET

JULY 30, 1996

The Board met on May 14, June 11, and July 9, 1996. Among the issues discussed:

RESIGNATION OF BOARD MEMBER

Herb Toboroff, elected to the board in 1995, resigned. The other board members thanked him for his service to the co-op.

The 6 remaining board members may choose someone to fill Herb's open position until the Annual Meeting of Shareholders in November. If you'd like to nominate yourself, simply send a letter to each of the 6 board members. It would be helpful to state your relevant experience, reason for nominating yourself, and things you'd like to help accomplish. The board may interview the nominees before making a decision. So far, Edna Marshall (1A) has nominated herself. If she is selected, she stated that she will not help to interview or vote on real estate transactions she helps to broker, to avoid conflicts of interest.

SUBLET DECISION

A shareholder whose sublet term was due to exceed the board's guidelines (more than 2 years out of the past 4) asked if he could sublet again, and give the entire sublet rent, plus the maintenance, to the building. The board voted not to accept his generous offer, and he decided to consider simply holding the apartment vacant. In other words, he will lose exactly the same amount of money, compared to his offer. He may want to own the apartment yet keep it empty, since he works several thousand miles away but may wish to return to his New York home eventually.

Among the reasons cited by the board majority for turning down the offer --

- a. sublets may hurt people seeking mortgage financing since banks discourage sublets, and
- b. the co-op does not want to be perceived, rightly or wrongly, as creating the impression of impropriety.

HALLWAY SALE

The board voted to sell Mark Lilien (3E) the hallway outside his 2 apartments for the average of 2 independent appraisals. Mark paid for 100% of the first appraisal (Mitchell, Maxwell & Jackson) and 50% of the second appraisal (Rogers & Taylor). The co-op paid for the other 50% of the second appraisal. The appraisals were very close -- \$100 per square foot and \$97.50 per square foot. The maintenance appraisals were .12 shares per square foot and .11 shares per square foot. Mark left the room during the board discussion of sale and pricing. He did not vote on this issue. The City OK'd Mark's construction plan after the vote took place.

SECURITY SYSTEM

The board voted to spend \$1,000 for a closed circuit TV camera in the lobby to be connected to the cable TV system. Jim Kafadar (6E) will design and purchase the equipment. The board encouraged Jim to design a more sophisticated system, which will be considered at a future meeting. The upgrade may include time-lapse recording and credit-card type keys for entry to the building. If you have any suggestions for security systems and procedures, please call Jim at 212 645 2737 or slip a note under his door.

INVOICES

The board will try to minimize authorized direct spending by board members. In other words, when items are purchased for the building, board members (usually Mark Lilien) laid out the money, and submitted receipts for reimbursement. In the future, the Managing Agent will try to pay the more substantial expenses directly.

LOBBY ATTENDANT

Board members will soon start canvassing shareholders asking their opinions about going to 24 hour, seven day doorpeople. For several years now, we've had half-time service, and it may finally be best if we took another step towards upgrading. The cost is likely to be around \$60,000 per year, so maintenance would rise about 29 cents per share per month (6.5%). Arguments for this improvement include --

- a. better service,
- b. possible increase in apartment purchase prices, and
- c. increased security.

Arguments against include --

- a. the extra expense, and
- b. do we have a true security problem?

AIR CONDITIONERS

Need a new one? The best-fitting models appear to be Emerson. Two suppliers are Marvin Mittman (718 352 8818) and Krup's (212 243 5787). Of course, any shareholder may purchase a unit from anyone else. Air conditioners are the responsibility of each apartment owner, not the co-op.

GARDEN COMMITTEE

Over a dozen people have helped this year! Grapes, apples, blueberries, raspberries, strawberries, peaches and figs have appeared so far, in addition to many flowers. The gardeners also added some planters to the roof and backyard, as well as several thousand pounds of topsoil to the gardens along the sidewalk. Special thanks go to Helen and Jack Katz, for their daily rooftop plant care, as well as Ty Batirbek for her daily backyard care.

REAL ESTATE TAXES

The board hires an attorney to contest the real estate tax assessment each year. Real estate taxes are budgeted at \$275,000 per year, or about one fourth of the entire building budget. The attorney was able to negotiate a reduction of our assessment from \$2,929,000 down to \$2,600,000. The board to accept this negotiated offer. The alternative would have been a court action taking 2 to 4 years and of uncertain result. Since several previous settlements have all been slightly above \$2,500,000, the negotiated figure seemed reasonable.

BACK YARD ACCESS

As a pilot experiment, the back yard will be open from noon to 5PM daily, accessed via the mail room. Benches will be purchased. The area is now designated a special "meditation garden" or "quiet space". Major concerns are --

- a. People whose windows face the back yard can easily hear, and be disturbed by, conversations in the backyard. The building's architecture carries the sound effectively, unfortunately.
- b. No one wants to cause a security problem for apartments facing the back
- c. No one wants to invade people's privacy, including people whose windows face the back.
- d. Everyone could enjoy the back yard.

Rules for the use of the back yard during the experimental pilot are the same as for the roof, except that nonresident guests are limited to 1 per apartment, and conversation is requested to be limited and very soft.

Board members are very interested in everyone's comments on this experiment.

CO-OP OWNERSHIP

On July 9, the building's ownership, based on the original 137 apartments, was --

- a. Number of sponsor-owned apartments not for sale -- 40
- b. Number of sponsor-owned vacant apartments for sale -- 4
- c. Number of investor-owned apartments -- 2
- d. Number of sold apartments -- 80 (excluding e and f)
- e. Number of apartments sublet with board approval -- 10
- f. Number of apartments in litigation under claim of illegal sublet -- 1

These figures are presented because many mortgage lenders require this information on individual apartment mortgage applications. Low-cost lenders are more likely to make loans based on a greater proportion of "d" apartments. The sponsor has a policy of selling any vacant apartment it owns.

DIVIDEND

Our underlying mortgage is held by National Cooperative Bank, which is a cooperative itself. It lends to cooperatives like us. Because it is a co-op, and we own shares in the bank co-op (the share price for Class B 1 stock was part of the mortgage fees, equal to 1% of the loan amount or \$35,000), we recently received a dividend, since profits are shared. The dividend was \$33,087.21, received in early July. NCB also credited us with \$61,447.68 in Class B2 stock. This will be shown as an asset on our balance sheet. Class B2 stock pays no dividends. Another benefit of dealing with NCB is that since it is a federally-chartered agency, we paid no state mortgage tax on our refinancing. The tax would have been 2.75% of the increase in the mortgage (\$500,000) = \$ 13,750.

CRACKS, INTERCOM, LEAKS, WINDOW REPAIRS

Please see Rifat Otovic immediately if your apartment has any of the following problems

1. missing tile grout (bathtub needs to be resealed where it meets the wall),
2. intercom problems,

3. leaks,
4. drips from faucets, pipes or toilet,
5. windows that don't stay open, and
6. windows whose interior seals are broken (glass gets cloudy inside).

Generally the co-op fixes the problems listed above at no charge. Everyone is welcome to call the Managing Agent at 319-3000 to discuss any maintenance issues.

If you see cracks in the walls or ceiling, please show them to Rifat Otovic. Causes include humidity-related flexing of the wood beams, construction in a nearby apartment, etc.

KITCHEN AIR VENTS

Certain kitchens have wall-mounted air vents, installed in pairs. One vent is near the floor and one is near the ceiling, on the same wall, just above the other vent. These are heat vents, not outside air vents, like the vents in the bathrooms. In other words, the paired vent openings conceal a heat riser pipe within the wall. Cool air at the floor level is heated by the pipe and rises through the upper vent. The heat vent shafts are blocked at the ceiling level on each floor.

APARTMENTS FOR SALE

Anyone is welcome to list apartments for sale in the Newsletter. Just drop a note to Mark Lilien,3E. Any shareholder is welcome to use any broker or no broker to sell any apartment. Note that Edna Marshall (Betty Fox agency -- 212 633-3964) sold more than \$ 1 million worth of apartments so far this year. The Betty Fox agency commission is only 4%, so shareholders saved over \$20,000.

The Sponsor is offering the following apartments for sale:

<u>APT.</u>	<u>SIZE</u>	<u>OWNER</u>	<u>PHONE</u>
1S	2BR	Kenneth B. Newman	319-3000
3P	2BR	Kenneth B. Newman	319-3000

CONSTRUCTION

The boiler work is finished for the season. The building still owes Loewy Plumbing approximately \$5,000 (the total cost came to \$217,500 so far). The \$5,000 is being held until the startup next fall, to be sure all punchlist items are fully corrected.

The City approved the toilet and showerhead replacements. However, the City may require an RPZ valve installation as well. The building hired a consulting engineer, Neal Rudikoff, who may be able to have the RPZ requirement withdrawn. An RPZ valve and pressure pump could cost \$20,000 to \$50,000 (rough estimates). Until the RPZ issue is resolved, toilet and showerhead replacement will not start.

The board hired Fred Hannaham to draw up roof replacement bid drawings and specifications, supervise the bidding and construction. This will be in addition to the masonry replacement work on the walls and window sills. The board also hired Robert Lawless, a consulting engineer to review the job with Fred, Ken Newman, and Mark Lilien.

Consulting engineers are hired by the board when it feels that the cost is reasonable compared to the total price of the construction. Sometimes paying one to three thousand dollars in consulting fees helps make a \$50,000 to \$250,000 construction job much better. The expertise may be well worthwhile at the pre-construction stage. Sometimes our contractors will also hire consulting engineers at their own cost. Mr. Loewy hired a consulting engineer during the boiler work to evaluate the pipe banging.

Fred Hannaham met with representatives of the Landmarks Commission to request that we be allowed to use bluestone or cast stone window sills for the windows facing the streets. Right now we have slate sills. Slate allows water penetration after 20 years, which leads to deterioration. The cast stone window sills facing the back yard are generally in good condition after more than 30 years. The Landmarks people OK'd bluestone but haven't yet decided about cast stone.

Bids will be taken on the roof and masonry simultaneously. The board may award both bids at once, or just the masonry, depending on the price of the work and building's finances.

The garage ramp drain cover was replaced to reduce the amount of water flowing down the ramp onto the garage floor during rainstorms.

JIM KAFADAR

Treasurer Jim Kafadar's application to purchase 6C (he already owns 6E) was approved by the board. Jim was interviewed like any other purchaser, filled out the usual application and paid the usual fees. Jim left the room during discussion of his application and the vote.

ILLEGAL SUBLET

One apartment is believed to be sublet illegally. The board brought suit against the shareholder involved. Written and oral arguments were submitted to the judge. Everyone is now waiting for a decision, which can take 1 day to several months. Shareholders interested in reading the legal papers may call the Managing Agent, Ken Newman, to make arrangements.

Another apartment, formerly sublet illegally, still has legal matters pending, including the board's application to recover its legal fees (approximately \$ 1,800) from the shareholder involved. The lease signed by all shareholders allows for the recovery of legal fees from the losing party in a dispute.

SALARY INCREASES

Our staff was given the same increase union personnel are given, at the same starting date. Although our staff is nonunion, the board's policy is to pay union wages and provide equitable working conditions and benefits, (medical plan, paid holidays and vacation time, IRA's, etc.) regardless. The board is very proud of the staff and their outstanding performance.

CASH POSITION (INCLUDES SHORT TERM INVESTMENTS)

<u>Cash Position</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
January 31	\$516,262	\$376,167	\$148,901
February 28	553,383	399,249	180,175
March 31	553,724	459,076	212,063
April 30	647,187	490,310	245,950
May 31	685,964	517,706	283,157
June 30	728,533	487,841	281,767
July 31		475,477	324,111
August 31		461,193	378,017
September 30		410,117	381,046
October 31		233,233	427,444
November 30		231,580	454,992
December 31		520,628	339,752
Average		420,885	304,781

NEWSLETTER

NO. 89

350 BLEECKER STREET

OCTOER 1, 1996

The Board met on September 10, 1996. Among the issues discussed:

ANNUAL MEETING AND ELECTION -- Tuesday, November 12, 1996 at 7:30 P.M.
Exercise Room

At the annual shareholder meeting the board member election will take place. Every shareholder is invited to attend in person or by proxy. A proxy blank is attached to this Newsletter. All the current board members are running for re-election, and any of them would be happy to accept your proxy if you cannot attend the meeting. Other shareholders may also vote your proxy for you, too.

If you would like to run for a seat on the board, please fill in the attached form which will be reproduced and given out at the meeting. Or you can supply a statement of your own.

The board has seven seats, and each board member has only one vote, regardless of the number of shares held. Sometimes the election is "by acclamation" when only seven people run for the seven seats. There has never been an election with fewer than seven candidates. Sometimes eight, nine, ten or more candidates run.

Board meetings are generally twice a month. The "long meeting" is on the second Tuesday of each month, from 7:00 P.M. until adjournment. Adjournment is usually by 10:00 P.M., although some meetings have gone as long as midnight. The "short meeting" is generally an hour or less, and usually is an apartment purchase interview. For information on what board membership entails, speak to any current or former board member. Board members are unpaid volunteers.

Please bring a chair to the annual meeting if you plan to attend. Generally, the annual meeting is about two hours long. Besides the election, other items on the agenda include discussions of building maintenance, finances, sublet policies, noise policies, recent apartment sales prices, and any other matters raised by the shareholders. Refreshments will be served.

LAUNDRY

The laundry owner, Royce Rowe, offered to sell his lease to Gordon & Thomas, a large laundry operator. Royce's company pays the co-op the greater of \$620 rent each month, or 60% of the gross sales, whichever is greater. The lease expires June 30, 1998.

The board decided to buy the lease from Royce instead of allowing its transfer to Gordon & Thomas. It is likely that the price will be around \$7,000, depending on the exact date the transaction is completed. Board member Edna Marshall offered to redesign the laundry. She will get quotes on new improved equipment, too. The board also discussed improving the ventilation. Board members felt that a directly-run laundry (instead of a lease operator) would provide better service.

COOPERATIVE MEMBERSHIPS

The board is considering whether our building should join The Council of New York Cooperatives and/or The Federation of New York Cooperatives. Both these organizations lobby on behalf of co-ops and run educational seminars for board members to improve their management skills. Edna Marshall volunteered to research the issue.

REAL ESTATE TAXES

Every shareholder was asked to fill out real estate tax abatement forms. The City originally gave us almost no time to complete the process. However, the time has been extended to October 15, 1996. These tax reductions came about because co-op organizations lobbied for tax fairness. Historically, the City taxed co-op buildings at higher valuations than certain other buildings.

ROOF PARTIES

When someone wants to have a roof party with over six guests per apartment, permission must be granted in advance by the board. To make the procedure more equitable, the following guidelines were adopted:

- a. regular roof rules must be observed (they are posted on the wall in the stairwell),
- b. Sunday through Thursday, the party must end by 9:30 P.M.,
- c. Friday and Saturday, the party must end by 10:00 P.M.,
- d. the board must be contacted at least three weeks in advance in writing, including all details,
- e. notification will be posted on the bulletin board by the host immediately after the board grants permission,

- f. the deposit is generally \$500,
- g. no roof noise may disturb the sixth floor residents, and
- h. non-resident guests limited to 20 people (with an admission list furnished in advance).

Considerable debate occurred on this subject. No one wants to reduce other people's party fun, but no one wants to hurt the residents of the sixth floor. When the roof garden was built, sixth floor residents were assured that the peaceful enjoyment of their homes would not be ruined. In the six or so years of the roof garden, only a handful of parties caused undue misery, but the board wanted to be sure the procedure is clear.

The roof is open 24 hours per day, 365 days per year, regardless of any party. No party may occupy the roof exclusively.

BUILDING OWNERSHIP

On September 17, the buildings ownership and occupancy was as follows, based on the original 137 apartments:

- a. number of apartments owned by sponsor, not for sale - 37
- b. number of vacant apartments, owned by sponsor, for sale - 5
- c. number of investor-owned apartments - 2
- d. number of apartments sold (excludes "e" and "f" below) - 91
- e. number of apartments sublet with board permission - 1
- f. number of apartments believed illegally sublet, in litigation - 1

The number of sublets is now quite low, compared to the past few years. Generally, more banks will lend mortgage money in buildings with the highest possible proportion of owner-occupied apartments. The sponsor's policy is to sell any apartment that becomes vacant.

EXERCISE ROOM IMPROVEMENT

Cynthia Spry, Edna Marshall and Diane Galli formed a committee to dean out the broken equipment and repaint the room. If you would like to help, please contact any of these three people.

LIBRARY

The library in the exercise room has become quite popular. Have you checked it out? Would you care to donate a book case? We now have more books than shelf space.

CLOSED CIRCUIT TV AND DISCOUNTED CABLE SERVICE

Jim Kafadar volunteered to purchase and supervise the installation of a \$2,500 TV system in the lobby. Visitors will be seen on a certain cable TV channel, and recorded by a special VCR. Although we have had no lobby crime in years, the board felt that certain additional precautions are worthwhile.

Jim also talked to Time Warner about a discount to all residents for their cable services. Jim reports that Time Warner will give a discount of 20% off their basic monthly service charge if 70% of all residents accept the service. We need only seven or eight more residents to sign up to reach 70%. If the required number of subscribers is achieved it will reduce the monthly charge for basic service from \$29.98 per month to \$21.95 per month. Larger discounts are available if the building accepts a two or three year contract. However, prudence dictates we try it for a year before making a longer term commitment. Discounts do not apply to premium services which will only be effective if all residents sign up for the service. If you are not a current subscriber of Manhattan Cable and would like to be, please contact Jim and indicate your willingness to subscribe.

GIVING YOUR KEY TO OTHER PEOPLE

Sometimes a resident gives a copy of the keys to someone unfamiliar to our staff. Perhaps the resident wants her cat fed while she's away, for example. It is critical to write a note to the Managing Agent in advance of giving out keys. Otherwise, the staff may refuse admittance to people who are unfamiliar. They do not know if the person who has your keys is legitimate or otherwise. The staff has been asked to help protect the building and its residents.

KEYS

As noted in an earlier Newsletter, the co-op needs the key to every apartment, in case of emergency. Keys to any newly changed locks should be also be delivered to the co-op. People may keep their keys in a sealed, signed envelope for security reasons. From now on, the \$500 move-in damage deposit will be returned only after all three items listed are fulfilled:

- a. the building staff signs a form indicating no damage to the building from the move,
- b. a board member signs "OIC" on a carpet inspection form, and
- c. the lkeys to the apartment are submitted to the co-op.

CASH POSITION (INCLUDES SHORT TERM INVESTMENTS)

<u>Cash Position</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
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February 28	553,383	399,249	180,175
March 31	553,724	459,076	212,063
April 30	647,187	490,310	245,950
May 31	685,964	517,706	283,157
June 30	728,533	487,841	281,767
July 31	684,148	475,477	324,111
August 31	716,989	461,193	378,017
September 30		410,117	381,046
October 31		233,233	427,444
November 30		231,580	454,992
December 31		520,628	339,752
Average		420,885	304,781

BULKY DISPOSALS

Do you have furniture or large appliances to throw away? Please schedule their removal on Thursday or Friday of each week, if possible. The Sanitation Department pickup is very early each Saturday morning, and there is not much room in the basement for bulky items awaiting pickup. Thanks!

FAXING THE MANAGING AGENT

If you need to fax Ken Newman or Shirley Lomanto, you can ask Rifat Otovic to send the fax for you, using the building's fax machine.

DOORMAN SERVICE

Board members would like to know shareholders' opinions about expanding the lobby attendant service hours. Currently, our staffing is 84 hours per week (average of 12 hours per day). To go to 24 hour coverage, maintenance would have to increase by approximately 7.6% or 34 cents per share per month. This additional maintenance would not be tax-deductible.

Arguments in favor of the change include:

- a. better service and more convenience,
- b. better security, and
- c. usually better service results in higher apartment values.

Arguments against the change include:

- a. do we need or want to pay for more convenience?
- b. security has not been a problem in the recent past, and
- c. higher costs sometimes depress apartment values.

Please fill in this form and give it to any board member.

Name: _____ Apartment: _____

- a. Yes, I am in favor of 24 hour lobby service, or
- b. No, I am against 24 hour lobby service.

Comments: _____

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
OF
350 BLEECKER STREET APARTMENT CORP.
NOVEMBER 12, 1996

I hereby give my proxy to _____
with respect to the shares I own in 350 Bleecker Street
Apartment Corp. to be used at the shareholders meeting now
scheduled to take place on November 12, 1996, and any
adjournments thereof. I state that I have _____ shares of
the stock of the Corporation. I understand that this proxy
is revocable in writing or if I am present at the meeting.

Signature: _____

Print Name: _____

Signature: _____

Print Name: _____

Apartment Number: _____

If shares are owned jointly, all owners must sign.

Dated: _____, 1996

APPLICATION FOR BOARD OF DIRECTORS

NAME: _____ APT.# _____

ADDRESS: _____

PHONE: _____/HOME _____/OFFICE

APPLICABLE WORK HISTORY AND QUALIFICATIONS:

WHY INTERESTED IN SERVING ON BOARD:

WHAT IDEAS FOR FUTURE ACTIONS OF BOARD:

NEWSLETTER

NO. 90

350 BLEECKER STREET

OCTOBER 29, 1996

The Board met on October 8, 1996. Among the issues discussed:

LAUNDRY

Board members volunteered to rotate among themselves to help read the coin meters, empty the coin boxes, and make the bank deposits. At least two Board members must be present when coins are being collected and counted.

TOILET REPLACEMENTS

Loewy Plumbing signed a contract to replace the toilets on November 14, 15, and 16. Every showerhead will be replaced, and every sink (bathroom and kitchen) will receive an aerator. The installation of all 4 items is required to qualify for the New York City government rebate. Work will start at 8:00 A.M. each day, and may continue until 8:00 P.M., in order to finish as quickly as possible. People who have already replaced their toilets with water-saving low flush units will not have their new toilets replaced. The water lines will be selectively shut off during the work.

The City is paying the co-op \$240 per bathroom for this work. The actual cost to the co-op is about \$45 per apartment more, since we will install anti-scald devices and upgraded showerheads. These additional items will be subsequently installed by our staff (not Loewy Plumbing) by the end of December.

LEAD PAINT LAW

A federal law now requires that people selling apartments give their purchasers a booklet about lead paint. Furthermore, every seller must disclose to every purchaser any knowledge of lead paint used in the apartment. According to a test completed this month by our engineer, Fred Hannaham, the fire escapes have lead paint. The law does not require the removal of lead paint.

**COME TO THE SHAREHOLDER'S MEETING
NOVEMBER 12, 1996!!!**

The fire escapes will probably be repainted in 1997. It is Mark Lilien's belief that the majority of fire escapes in New York City were coated with lead paint at some point in their lives, since lead paint was in common use until fairly recently, and it is an excellent rust preventative. It is possible that lead paint was used elsewhere in the building, but the board is aware of no other tests. The fire escapes were tested because the board would like to have them repainted, and special care must be taken when scraping loose lead paint.

FLU SHOTS

Two local hospitals offer flu shots for \$ 10 -- St. Vincent's and Beth Israel. St. Vincent's requires you to join the Village Health Club (no charge) and Beth Israel requires you to join the Healthy Neighbor Program (no charge). Each year 20,000 Americans die from the flu. Flu shot serum no longer includes live germs. Years ago, the serum included weakened live germs, which gave certain people the flu, but the technology has improved.

EXERCISE ROOM

Cynthia Spry and Edna Marshall organized a redecorating (painting) session. Most of the painting is done. If you would like to help, please call Cynthia (627-4787) or Edna (633-9220). The track lighting will also be replaced. Additionally, the board allocated \$6,000 for upgraded gym equipment. Please see Cynthia for the details.

CABLE TV

We only need 10 more apartments to get the Time Warner Cable TV discount. Please call Jim Kafadar for details at (212)645-2737.

APARTMENT RENOVATION

The board voted an OK for Mark Lilien to install extra windows in apartment 3D. The Landmarks Commission also voted its OK Landmarks vetoed Mark's application for another window in 3E, but indicated it might allow a reapplication under certain circumstances. The board OK'd Mark's reapplication (if he desires). The Buildings Department also OK'd Mark's application to buy the hallway outside 3E and 3D (previously OK'd by the board). Mark did not vote on any of the items listed in this paragraph.

BUILDING OWNERSHIP

Of the original 137 apartments:

- a. number of apartments owned by sponsor, not for sale at this time - 37
- b. number of vacant apartments, owned by sponsor, for sale - 5
- c. number of investor-owned apartments - 2
- d. number of apartments sold (excludes "e" and "f" below) - 91
- e. number of apartments sublet with board permission - 1
- f. number of apartments believed illegally sublet, in litigation - 1

CASH POSITION (INCLUDES SHORT TERM INVESTMENTS)

<u>Cash Position</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
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October 31		233,233	427,444
November 30		231,580	454,992
December 31		520,628	339,752
Average		420,885	304,781

APARTMENTS FOR SALE

<u>APT.</u>	<u>SIZE</u>	<u>OWNER</u>	<u>PHONE</u>	<u>COMMENTS</u>
1S	2BR	Kenneth B. Newman	319-3000	
2G	2BR	Kenneth B. Newman	319-3000	
3A	Studio with Alcove	Christine Pagano	(516)286-4264	
5F	Studio	Kenneth B. Newman	319-3000	
5J	1BR	Kenneth B. Newman	319-3000	

HAPPY HALLOWEEN

CUSTOMER SERVICE AND MAINTENANCE SURVEY

The board would appreciate it if you d fill this in and give it to any board member. Or you may fax it to Ken Newman at 212 752 0097. The sole purpose is to improve service if needed. Thanks!

Name _____ Apt _____

For items I through VI, please circle any problem(s) that apply to your apartment.

I. PLUMBING

- A. Leak in kitchen
- B. Leak in bathroom
- C. Kitchen sink drains slowly
- D. Bathtub drains too slowly
- E. Bathroom sink drains slowly
- F. Toilet runs continuously
- G. Bathtub tile needs caulk
- H. Radiator leak
- I. Radiator shutoff valve broken

II. CEILINGS AND WALLS

- A. Leak in ceiling
- B. Leak in wall

III. WINDOWS

- A. Window won't stay open (spring broken)
- B. Window cloudy inside (seal defective)

IV. DOOR

- A. Doorbell doesn't work

V. INTERCOM

- A. People in apartment can't hear building entrance
- B. People in apartment can't hear bell or buzzer
- C. Apartment voice can't be heard at building entrance
- D. Person in apartment can't unlock front door

VI. OTHER MAINTENANCE PROBLEMS (please specify)

VII. BUILDING STAFF

Please fill this in if you have any issues or suggestions you'd like the board to know about that relate to the staffs performance within the past 90 days. The staff includes -

Rifat Otovic – Super
Jerry Rawls -- Porter and Doorman
Armando Sanchez – Doorman
Jasmin Orahovac - Doorman

Geoffrey Merill -- Doorman
Ken Newman - Managing Agent
Shirley Lomanto - Managing Agent
Louise Casale -- Managing Agent

NEWSLETTER

NO. 91

350 BLEECKER STREET

NOVEMBER 26, 1996

The Annual Meeting of Shareholders took place November 12,1996. 47 shareholders came personally. Another 28 submitted proxies. The meeting's highlights included:

BOARD ELECTION

All seven of the Board members were re-elected by acclamation. No other candidates were nominated and offered to run for a position on the Board. The Board members have yet to choose officers (President, Vice President, Treasurer and Secretary). The Board members are:

Kenneth B. Newman
488 Madison Avenue
New York, New York 10022
Home: 688-8248
Work: 319-3000
Fax: 752-0097

Mark Lilien
Apartment 3E
Home: 929-4619
Fax: 366-4721

James Kafadar
Apartment 6E
E Mail Address:
JDIC33333333@AOL.COM
Home:)
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Kimberly Minarovich
Apartment 3C
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Robert Mishkin
Apartment 5B
Home and Fax: 924-4160
Work: (718)692-5348

Cynthia Spry
Apartment 4H/4J
Home: 627-4787
Voice Mail: 1-800-595-0200 (Ext. 7808)
Fax: 691 – 1682

Edna Marshall
Apartment 1A
Home and Work: 633-2964
Fax: 633-9220

Every Board member gets one vote. A meeting quorum is four. Board members serve without compensation. There is at least one meeting the second Tuesday of every month, and usually at least one additional meeting each month. Any shareholder with a suggestion, comment, or complaint is welcome to address the Board by calling Ken Newman at 319-3000 in advance and asking to be put on the agenda.

Letters, phone calls, and faxes are also welcome.

Edna Marshall and Ken Newman do not participate in interviews or votes related to apartment sales and sublets for which they have personal interests as broker and/or attorney for the seller or buyer.

RECENT SALE PRICES FOR APARTMENTS

Between January 1, 1996 and November 25, 1996, 18 apartments were sold by the sponsor and other shareholders. The sale price ranges were:

<u>SIZE</u>	<u>NUMBER SOLD</u>	<u>LOWEST PRICE</u>	<u>HIGHEST PRICE</u>	<u>AVERAGE PRICE</u>
Studio	11	\$ 48,000	\$100,000	\$ 80,909
One bedroom	4	110,000	157,700	136,925
Two bedrooms	3	208,000	220,000	216,000

The general trend in 1996 has been a strong rise in values. Unlike previous years, there is a continuing high demand for apartments at this time of year.

TV CAMERA

Jim Kafadar reported on the recently installed lobby TV camera. The lobby is now being recorded 24 hours per day. The tape is automatically erased each day, unless an emergency occurs, in which case the tape will not be erased.

Time Warner is supposed to broadcast the image on channel 77 for cable TV customers in the building. They have shown up twice, for several hours each time, with crews who lack the proper technical skills. Jim Kafadar is following up with Time Warner. In the meantime, no broadcast occurs. Jim is also experimenting with a low power broadcast signal for channel three for non-cable customers in the building.

OTHER NEWS

After the Annual Meeting, other events and discussions took place, including:

SNOW PREPARATION

The building now owns a new \$2,400 eight horsepower caterpillar track two stage Honda snow blower. Furthermore, 3,000 pounds of ice melter was delivered. The latter is not salt, it is a chemical claimed to be less environmentally harmful.

FLOOR CLEANING

A new rotary floor scrubber and polisher was purchased for about \$1,200. The old one's transmission died.

BUILDING OWNERSHIP

Of the original 137 apartments:

- a. number of apartments owned by sponsor, not for sale at this time - 36
- b. number of vacant apartments, owned by sponsor, for sale - 5
- c. number of investor-owned apartments - 2
- d. number of apartments sold (excludes "e" and "f" below) - 92
- e. number of apartments sublet with board permission - 1
- f. number of apartments believed illegally sublet, in litigation - 1

On November 7, 1996, Judge Anne Katz of Civil Court ruled that the sublet apartment in litigation was not illegally sublet. However, the Board has not yet decided whether or not to continue the litigation. If you would like a copy of the judge's decision, please call Shirley Lomanto at 319-3000.

APARTMENTS FOR SALE

<u>APT.</u>	<u>SIZE</u>	<u>OWNER</u>	<u>PHONE</u>	<u>COMMENTS</u>
1S	2BR	Kenneth B. Newman	319-3000	six windows face south -- very sunny
5F	Studio	Kenneth B. Newman	319-3000	view of Empire State Building + GE Building

NEWSLETTER

NO. 92

350 Bleecker Street

December 26, 1996

The board met on December 3, 1998. Among the issues discussed:

BUDGET AND MAINTENANCE FEES FOR 1997

The board met with Burt Feldman, the co-op's CPA, and voted to set the maintenance fee at \$4.55 per share per month for 1997. This is a 10 cent increase, equal to about 2%. The budget is shown on the last 3 weeks of this Newsletter.

The major concerns discussed were:

1. the desire to keep costs as low as possible
2. the desire to maintain the building properly
3. replacement of major building components over time
4. the desire to have as few special assessments as possible
5. concern about the cost of the roofing + masonry project, which is not yet finalized
Although co-op has a huge cash position, this work may take require a large portion of the cash.
6. the desire to keep maintenance fees flat

The discussion was several hours long, and the final conclusion required several votes to achieve a majority. Typically the December budget meeting is the most controversial of the year.

ELECTION OF OFFICERS

Due to the large workload, the board decided to increase the number of officers. Officers are:

Chairperson	Mark Lilien	VP	Cynthia Spry
President	Ken Newman	Treasurer	Jim Kafadar
VP	Edna Marshall	Secretary	Bob Mishkin

Every board member has only 1 vote out of 7, regardless of officer title or number of shares owned.

HALLWAY SALE

Jim Kafadar signed a contract to buy apartment 6D from the Sponsor. He already owns 6E and 6C. The board voted to let him buy the hallway outside his apartments for the same price per square foot Mark Lilien was charged in May. Jim was not present during these discussions or the vote. The board members used the same price per square foot because the appraisals Mark Lilien received were recent and still appeared to be fair.

CHRISTMAS DECORATIONS

If you'd like to help decorate the lobby for Christmas, please call Mark Lilien at 212 929 4819 immediately. The board voted \$400 for decorations.

SECURITY CAMERA

Check out channel 77 if you have cable TV. The picture appears clearest at night. Time Warner is still making adjustments.

APARTMENT WANTED

If you want to sell your 1 bedroom apartment, please call Cynthia Spry at 627 4787.

HAPPY HANUKKAH!

	1985 12 month Actual	1996 Budget	1997 Budget	1/1/95 Through 10/31/95	1/1/96 Through 10/31/96
Commercial rent	\$93,167	\$86,000	\$86,000	\$71,667	\$64,500
Add'l commercial rent	\$19,224	\$20,000	\$20,000	\$19,224	\$18,687
Laundry income	\$10,199	\$10,000	\$16,000	\$8,663	\$7,775
Interest earnings	\$11,313	\$7,000	\$6,000	\$10,190	\$11,490
Bank dividend from mortgage lender	\$0	\$0	\$3,250	\$0	\$33,087
Flip tax (2% fee on selling shares)	\$25,795	\$14,000	\$15,000	\$18,000	\$23,774
Sublet fees	\$16,602	\$10,000	\$1,000	\$16,597	\$7,975
Late fees	\$1,357	\$1,500	\$1,500	\$1,207	\$1,720
Sublet Interview fees	\$750	\$500	\$350	\$419	\$1,828
Bike room	\$0	\$700	\$700	\$0	\$175
Total Income (excl maintenance)	\$178,407	\$149,700	\$149,800	\$145,967	\$171,011
Real estate tax	\$273,390	\$275,000	\$287,000	\$136,695	\$142,869
NYS Franchise tax	\$2,732	\$3,000	\$3,000	\$1,975	\$1,584
NY Corp tax	\$2,163	\$3,000	\$3,000	\$1,600	\$1,482
NYC Vault tax	\$150	\$0	\$150	\$0	\$150
Mortgage interest	\$317,811	\$272,999	\$271,391	\$243,750	\$227,610
Mortgage principal	\$0	\$19,835	\$21,443	\$0	\$0
Total taxes + interest paid	\$596,246	\$573,834	\$585,984	\$384,020	\$373,695
Oil	\$22,540	\$30,000	\$0	\$18,920	\$0
Cooking gas	\$2,695	\$3,000	\$3,500	\$2,488	\$2,765
Electricity	\$12,152	\$15,000	\$16,500	\$11,189	\$13,867
Steam and hot water gas	\$0	\$0	\$37,000	\$0	\$28,475
Water + sewer (includes rebate)	\$0	\$2,000	\$9,000	\$0	\$0
Total utilities	\$37,387	\$50,000	\$66,000	\$32,597	\$45,107
Insurance	\$56,615	\$58,100	\$58,100	\$56,615	\$55,902
Management fee	\$48,687	\$49,500	\$49,500	\$40,500	\$44,916
Legal	\$22,509	\$10,000	\$15,000	\$22,509	\$12,865
Accounting	\$6,000	\$6,250	\$6,500	\$6,000	\$6,000
Phone	\$1,011	\$3,000	\$3,000	\$854	\$1,447
Postage + stationery	\$1,438	\$1,000	\$1,000	\$1,104	\$791
Licenses, permits, violations	\$3,089	\$1,000	\$500	\$557	\$237
Office expenses	\$8,219	\$5,000	\$5,000	\$4,801	\$3,485
Misc expenses	\$800	\$0	\$0	\$799	\$0
Security (camera, VCR)	\$0	\$0	\$0	\$0	\$2,923
Total Administrative	\$148,368	\$133,850	\$138,600	\$133,739	\$128,566
Payroll	\$140,142	\$135,000	\$141,000	\$104,058	\$105,990
FICA taxes	\$13,158	\$12,000	\$13,000	\$9,974	\$8,933
Hospitalization	\$13,429	\$14,000	\$14,000	\$11,197	\$11,650
Total labor	\$166,729	\$161,000	\$168,000	\$125,229	\$126,573

	1985 12 month Actual	1996 Budget	1997 Budget	1/1/95 Through 10/31/95	1/1/96 Through 10/31/96
Boiler, heating, plumbing, a/c	\$3,289	\$3,000	\$3,000	\$539	\$1,924
Janitorial supplies	\$14,626	\$13,000	\$13,000	\$12,285	\$15,508
Elevator	\$9,298	\$9,000	\$9,000	\$7,756	\$7,950
Electrician	\$1,027	\$1,000	\$1,000	\$756	\$1,203
Windows	\$1,174	\$1,000	\$1,000	\$1,083	-\$227
Intercom + door	\$6,410	\$6,000	\$2,000	\$5,381	\$638
Landscaping	\$0	\$0	\$2,500	\$0	\$233
Exterminator	\$2,085	\$2,000	\$4,500	\$1,327	\$3,788
Painting, carpet, cleaning	\$242	\$1,000	\$5,000	\$243	\$487
Total Repairs	\$38,151	\$36,000	\$41,000	\$29,370	\$31,494
Unanticipated Items (contingency)	included above	\$10,000	\$10,000	included above	included above
Total Expenses incl contingency	\$989,881	\$964,684	\$1,009,584	\$704,955	\$705,435
Addition to reserve from maint = ATR	\$99,951	\$103,603	\$79,445		
Addition to reserve - hallway sales	\$0	\$0	\$17,000		
Total addition to reserve	\$99,951	\$103,603	\$96,445		
GRAND TOTAL EXPENSES + ATR	\$1,086,832	\$1,068,287	\$1,089,029		
GR TOT EXPENSE LESS INCOME	\$908,425	\$918,587	\$939,229		
MAINTENANCE FEES	\$927,653	\$918,588	\$939,229		
Maint fees for 17202 shares/12 months		\$4.45	\$4.55		

BUDGET NOTES

Total Income (excl maintenance)

The garage and 2 stores pay rent to a master lessor who rents the space from the co-op. The rent is fixed until the master lease ends in 2060, except for 9.35% of certain operating cost increases of the building (collected as additional rent). The laundry is now owned by the co-op, so 100% of the revenue is collected instead of 6096. The mortgage lender is a co-op that pays its shareholders dividends. The bike room income was included in the maintenance figures in 1995. Hallway sale income is excluded from this section.

Taxes and interest paid

The vault tax is actually rent paid to the City for a small space under the sidewalk in our basement. The mortgage principal through 10/31/96 is included In the mortgage interest figure.

Utilities

The water and sewer figures before 1997 are very low because the City gave us a rebate based on the water meter installation cost. This rebate is now exhausted, so the 1997 figure is the full cost estimate.

Administrative

Phone costs rose due to several long conference calls concerning construction projects.

Labor

The costs reflect the new union contract. The co-op pays its staff the union increases, although they are not union members. The board believes that our staff members deserve the union increases.

Repairs

Landscaping was generally charged to janitorial supplies before 1997. The exterminator is more expensive due to higher fees and a greater number of visits. Building residents appear happier with this arrangement. Painting was budgeted at a higher figure so that certain areas (stairwell leading to roof, basement hallway) could be spruced up.

Unanticipated items

Each year, \$10,000 is budgeted for a contingency fund. In 1996, this fund was used for the security system and some exercise room equipment, for example.

Total addition to reserve

This is used to defray the costs of building component replacements. An engineer was hired (Richard Balsler) several years ago to help estimate the useful life and replacement cost of every component. His estimates were reviewed by our current engineer, Fred Hannaham, and the board members. Based on these figures, which are not guaranteed, the building requires at least \$110,000 annually to avoid large repeated assessments required to replace major items. The total replacement costs were estimated to be at least \$1.5 million, with an average weighted useful life of 13.5 years.

The components include:

bathtub caulking	light fixtures
boiler	major elevator parts
domestic hot water tank and gas heater	masonry pointing
engineering	roof and terrace waterproofing
fire escape painting	RPZ (backflow prevention valve for water supply)
garage and roof fans	toilets, showerheads
garage ramp concrete work	window frames
hallway carpeting	window sills
hallway painting	

In 1996 the difference between the budgeted addition to the reserve and the desired amount (\$103,603 vs. \$110,000) was covered by the unbudgeted bank dividend of \$33,087. In 1997, certain board members believe that the difference (\$96,445 vs. \$110,000) may be covered by further cost savings and/or rooftop antenna rental. A cellular phone network is studying the feasibility of using the roof for certain antennae. The rent paid to the co-op may cover part or all of the gap. Certain board members believe that the reserve is sufficient as is, and need not be increased.

Addition to reserve from hallway sales

The board voted to sell Mark Lilien and Jim Kafadar the hallway space outside their apartments. This figure is the estimated proceeds expected from these transactions. Both transactions are based upon certain contingencies (City approval, etc.) which the board members believe will be met.

Grand total expenses + ATR

This is the sum of all expenses shown above this figure, including unanticipated items and the addition to reserve labeled "ATR".